

Exhibit 1

AO 106 (Rev. 04-10) Application for a Search Warrant

UNITED STATES DISTRICT COURT

for the
Northern District of CaliforniaIn the Matter of the Search of
(Briefly describe the property to be searched
or identify the person by name and address)2218 Old Middlefield Way, Ste. L and M, Mountain View,
California 94043

UNDER SEAL

Case No. 3:16 71090

FILED
2017 AUG 21 P 3:32
CLERK U.S. DISTRICT COURT
NO. DIST. OF CA.

APPLICATION FOR A SEARCH WARRANT

I, a federal law enforcement officer or an attorney for the government, request a search warrant and state under penalty of perjury that I have reason to believe that on the following person or property (identify the person or describe the property to be searched and give its location):

See Attachment A-2 in the Affidavit in Support of Application for Search Warrant

located in the Northern District of California, there is now concealed (identify the person or describe the property to be seized):

See Attachments B and C incorporated into the Affidavit in Support of Application for Search Warrant.

The basis for the search under Fed. R. Crim. P. 41(c) is (check one or more):

- ☒ evidence of a crime;
- ☒ contraband, fruits of crime, or other items illegally possessed;
- ☒ property designed for use, intended for use, or used in committing a crime;
- ☐ a person to be arrested or a person who is unlawfully restrained.

The search is related to a violation of:

Code Section

18 U.S.C. § 1344;

18 U.S.C. § 371;

18 U.S.C. § 1014 and 18 U.S.C. § 1349

Offense Description

Bank Fraud, Conspiracy; Bank Fraud-False Statements; Conspiracy

The application is based on these facts:

See attached Affidavit in Support of Application for Search Warrant, with incorporated Attachments A-2, B and C.

Approved

As To Form:

John Hemann AUSA

N.S. Rezai-zadeh
Applicant's signature

Natalie S. Rezai-zadeh, Special Agent

Printed name and title

Sworn to before me and signed in my presence.

Date:

8/24/16

City and state: San Francisco, California

Judge's signature

Chief United States Magistrate JOSEPH C. SPERO

Printed name and title

AFFIDAVIT IN SUPPORT OF
APPLICATION FOR SEARCH WARRANT

I, Natalie S. Rezai-zadeh, a Special Agent with the Federal Bureau of Investigation in Palo Alto, California, being duly sworn, depose and state as follows:

I. PURPOSE AND SUMMARY OF AFFIDAVIT

1. I am submitting this affidavit in support of a request for a warrant to search the home and office of MARK MIGDAL for evidence regarding frauds committed on banks in connection with short sales. I believe that the evidence set forth herein demonstrates probable cause that these searches will uncover evidence that MIGDAL, his wife ANETTA KALK, and his associate NAUM MORGOVSKY, committed violations of 18 U.S.C. §§ 371, 1014, 1344, and 1349.

2. I discovered the evidence set forth below in the course of my investigation of NAUM MORGOVSKY and IRINA MORGOVSKY for the unlawful export of night vision for export to Russia. Through the course of my investigation I discovered evidence to show NAUM MORGOVSKY used the name Gary Piper as a straw purchaser in the short sale of two condominiums in Hawaii for the benefit of MARK MIGDAL. MIGDAL owned the properties and owed substantial sums to federally insured lenders on the mortgages for each property. Using the name Gary Piper, MORGOVSKY purchased the properties in short sales in 2009 and 2010. After the sales, the properties remained under MIGDAL'S control. In 2016, MORGOVSKY transferred the properties to MIGDAL'S wife, using her maiden name, for the same amounts he paid to purchase the properties in the short sales. Four months later, MIGDAL'S wife transferred the properties to a MIGDAL family trust. As a result the two victim mortgage lenders lost approximately \$430,491. As discussed below, I make this affidavit in support of an application for a warrant to search the below-listed places, hereinafter the "SUBJECT PREMISES."

\$50,500. The first and third check payments to Tactical Light Solutions was made from Hitek International's BOA-6298 account. On or about June 11, 2010, Tactical Light Solutions sent an email to NAUM MORGOVSKY and advised that the 150 MX10160 tubes were ready for pick up.

56. On or about February 4, 2015, Tactical Light Solutions advised the FBI that the DEP MX-10160 is a Gen 2 image intensifier tube manufactured by Photonis, USA. Tactical Light Solutions provided a data sheet for this tube which showed the Photonis product number to be XX1441. On or about April 2, 2015, the Vice President of Sales and Business Development, Photonis, USA provided a basic data sheet for the XX1441 tube. Based on the data sheet information, these tubes appear to be controlled on the United States Munitions List under Category XII(c). A State Department license pursuant to the ITAR is required for export or temporary import.

57. Based on the above information, there is probable cause to believe that MIGDAL helped finance the purchase of controlled night vision equipment for NAUM MORGOVSKY.

58. In addition to financing the purchase of night vision equipment for NAUM MORGOVSKY there is also reason to believe that MIGDAL may have sent shipments overseas on behalf of NAUM and IRINA MORGOVSKY using an Auto Export Group. Records obtained from FedEx show MARK MIGDAL's secretary, Leila Freeman of Two Towers Group sent six FedEx shipments on December 14, 2010, to Oleg Shkoda, Auto Export Group C/O AEL, 13500 S Figueroa Street, Los Angeles, California. All six shipments were sent using FedEx account number 464345060 which belongs to Citybest Construction Management, 4900 Fulton Street, Apt 110, San Francisco, California. Citybest Construction Management is Irina MORGOVSKY'S company. Prior to Leila Freeman sending the shipments, on or about October 13, 2010, Serguei Seleznev of VisionTech, 4900 Fulton Street, #110, San Francisco, California

also sent a shipment to Oleg Shkoda, Auto Export Group C/O AEL. Records obtained from the Federal Reserve Bank of New York show NAUM MORGOVSKY wired \$965 to Oleg Shkoda on or about December 15, 2010, one day after Leila Freeman sent the 6 shipments to Shkoda.

59. As explained above, MIGDAL was identified as an employee of Hitek, who collected paychecks and who also provided financing for the purchase of controlled night vision technology. Based on this and the fact that he used his secretary to ship six packages to an exporter in Los Angeles using a FedEx account belonging to IRINA MORGOVSKY gives probable cause to believe MIGDAL is involved with MORGOVSKY in regards to the illegal export or smuggling of controlled technology.

V. THERE IS PROBABLE CAUSE THAT EVIDENCE WILL BE LOCATED AT THE SUBJECT PREMISES

60. There is probable cause to believe that evidence of violations of 18 U.S.C. § 371, 1014, 1344, and 1349 will be found at the residence of MARK MIGDAL and Anetta Kalk, located at 445 Golden Oaks Drive, Portola Valley, California (Attachment A-1).

a. The address 445 Golden Oak Drive was used when addressing the Modified job offer which NAUM MORGOVSKY sent to MIGDAL. Based on the fact that MORGOVSKY conspired with MIGDAL in the short sale schemes there is reason to believe other correspondence from MORGOVSKY or the financial institutions involved in these transactions may be found at 445 Golden Oak Drive because that is the mailing address provided by MIGDAL.

b. This is the address Hitek International used for his employment correspondence. In addition, as explained above MIGDAL helped finance the purchase of controlled night vision equipment for an order placed by MORGOVSKY. As stated above NAUM MORGOVSKY and IRINA MORGOVSKY, through Hitek, other

particularity in the warrant, while minimizing exposure or examination of irrelevant, privileged, or confidential files to the extent reasonably practicable.

71. For the purposes of this search protocol, the phrase "to preserve evidence" is meant to encompass reasonable measures to ensure the integrity of information responsive to the warrant and the methods used to locate same.


VII. REQUEST FOR SEALING

72. Because this investigation is continuing, premature disclosure of the contents of this affidavit will jeopardize the progress of the investigation. Specifically, if the investigation becomes known to the subjects prior to the searches, they might attempt to destroy evidence or flee to avoid prosecution. Accordingly, I request that the Court issue an order pursuant to which the Applications for Search Warrant and the Affidavit be filed under seal under further order of this Court.

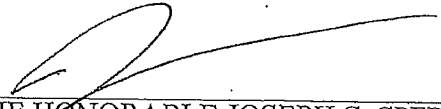
VIII. CONCLUSION

73. Based upon all the foregoing, there is probable cause to believe that evidence of violations of 18 U.S.C. § 371, 1014, 1344, and 1349, including those items listed in Attachment B, will be found at the SUBJECT PREMISES.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.


Natalie S. Rozai, Special Agent
Federal Bureau of Investigation

Sworn and subscribed to before me this 24th day of August, 2016.


THE HONORABLE JOSEPH C. SPERO
Chief United States Magistrate Judge